

CONSUMER ALERT

IRS TAX DEBT RELIEF SCAMS

Some companies and law firms in New Jersey, and around the country, employ an array of false promises and deceptive tactics to take unfair advantage of consumers who desperately need help resolving their back tax debt to the IRS. These companies usually charge a high upfront fee, possibly thousands of dollars, for their services. They tell consumers that they can stop IRS collection activity and resolve IRS problems. After collecting their advance fee, these companies often fail to provide the promised tax relief. Instead, after requesting the same documents time and time again from consumers, they conclude that the consumers no longer qualify, or the IRS rejects their efforts to resolve the back tax debt. Sometimes, these companies never even submit a request to the IRS to resolve the consumers' debt. In the end, these companies typically refuse to refund the advance fee consumers paid them.

Don't be lured in by promises that sound too good to be true. Here are some tips for avoiding tax debt relief scams:

- **First, try to resolve your problem directly with the IRS.** Call the number on your IRS notice and ask about collection alternatives. You may be eligible for a monthly payment plan, or you may be able to pay less than the amount you owe.
- **Don't ignore** the notices the IRS sends you. The problem won't go away.
- **Don't trust** a company's promises that imply that you have "qualified" or are "eligible" for an IRS program to resolve your back tax debt. Only the IRS can make that determination.
- **Be cautious** about services like this that ask for payment in advance.

If you can't resolve your problem with the IRS, you have options to resolve your issues for **free**! For example:

- **You can seek help** from a Low Income Taxpayer Clinic (LITC) in your area. To see if you qualify for help, go to <http://www.irs.gov/advocate> and click on "Low Income Tax Clinics." The site includes a list of clinics in your area.
- **You can contact** the Taxpayer Advocate Service (TAS), your voice at the IRS. TAS employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. You can reach TAS at 1-877-777-4778 or TTY/TDD 1-800-829-4059. For more information, visit www.irs.gov/advocate.

If you are a victim of a tax debt relief scam, you can file a complaint with the New Jersey Division of Consumer Affairs at <http://www.njconsumeraffairs.gov/ocp/ocpform.htm> or by calling 1-800-242-5846 (toll-free within N.J.) or 973-504-6327.

The IRS Office of Professional Responsibility has jurisdiction over Enrolled Agents, Attorneys, Certified Public Accountants, Enrolled Actuaries, and Appraisers who practice before the service. If you suspect practitioner misconduct, you may report the behavior to the IRS via e-mail at opr@irs.gov.

It is important to file an accurate tax return, and to choose a tax preparer carefully if you decide not to prepare your own return. You may be eligible to use a free volunteer preparer through a program such as the IRS Volunteer Income Tax Assistance Program (VITA). However, if you decide to use a paid tax preparer, it is important that you find a qualified tax professional.

For more information about selecting a tax preparer, visit the online Tax Toolkit at www.taxtoolkit.irs.gov. You can find videos about choosing a preparer, collection alternatives, and other topics on the Tax Toolkit and the TAS YouTube site at www.youtube.com/tasnta.